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SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION: INDUSTRIAL DEVELOPMENT COOPERATION

Implementation of the programme for the Second Industrial Development Decade for Africa (1993-2002)

Report of the Secretary-General

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I. INTRODUCTION

Recent progress in Africa's industrialization and prospects

1. The present progress report has been prepared by the secretariats of the United Nations Industrial Development Organization (UNIDO) and the Economic Commission for Africa (ECA) for submission to the General Assembly at its forty-ninth session, in accordance with paragraph 9 of Assembly resolution 47/177 of 22 December 1992.

2. According to UNIDO data, Africa showed an annual gross domestic product (GDP) growth of only 1.4 per cent during the period 1990-1993. This was in sharp contrast to the other developing regions. The progress of industrialization in Africa has broadly mirrored the pattern of GDP growth described above: Africa's manufacture value-added growth was on average only 0.8 per cent. Measured against a manufacturing growth rate of almost 5.6 per cent in developing Asia, the achievements of African industrialization have so far been modest, pointing to the need for a continued search for practical measures to encourage accelerated manufacturing growth in the future, in line with the goals of the Second Industrial Development Decade for Africa (IDDA II).

3. However, recent trends in economic policy reform are creating a more favourable climate for industrialization in the future. While the overall picture may still be bleak, several African countries have made encouraging progress in industrialization in recent years. For the period 1990-1992, UNIDO figures indicate that more than a dozen countries had achieved an annual average growth rate of manufacture value-added that exceeded 5 per cent. The most conspicuous growth was shown by Seychelles, averaging 9.1 per cent. Countries that in the past had been wracked by internal problems such as Equatorial Guinea, Guinea-Bissau and Uganda had annual averages of 7.5 per cent, 6.6 per cent and 8.8 per cent. Countries that had already made considerable progress in the industrial field, such as Botswana, Mauritius and Tunisia, have continued to exhibit strong positive growth rates.

4. Interestingly, the most conspicuous manufacture value-added and manufacture value-added/capita growth rates were often recorded in the smaller countries. Important African manufacturing countries such as Côte d'Ivoire, Nigeria and Zambia have not performed well, and growth in Kenya is sluggish. It could be hypothesized that the long-established manufacturing sectors in these countries have suffered in particular during the recent period of stagnation and structural adjustment. Moreover, while growth has often been from a low level in the other, smaller countries, emerging industrial activities - often medium- and small-scale - are less burdened by earlier industrial policy mistakes and large investments in unviable industries.

5. Significant developments in Africa at the regional level will also positively condition industrialization prospects for the future. They include the growing emphasis on regional integration, as witnessed by the signing at Abuja, Nigeria, on 3 June 1991, of the Treaty Establishing the African Economic Community (A/46/651, annex). The further development of the Preferential Trade

Area for Eastern and Southern African States (PTA), the Southern African Development Community (SADC) and the Arab Maghreb Union (UMA) are steps in support of this trend at the subregional level. The re-emergence of South Africa as an important partner in the international community offers a possibility of new resources and stimuli for industrial growth. The devaluation of the African Financial Community (Communauté financière africaine) (CFA)) franc has been an important macroeconomic development for a number of African countries and may, in the medium term, provide a basis for wider industrial growth in those countries. Finally, at the international level, the completion of the Uruguay Round of multilateral trade negotiations in the General Agreement on Tariffs and Trade (GATT) negotiations may also offer longer-term prospects for industrial growth in Africa.

6. Intensified regional cooperation and trade require a strengthening of the regional infrastructure. In this context, the decision to harmonize the activities of IDDA II and the Second Transport and Communications Decade in Africa (UNTACDA II) is an important step forward.

7. African countries are also giving continuing attention to subregional and regional support institutions such as the African Regional Centre for Technology (ARCT), the African Institute for Higher Technical Training and Research (AIHTTR) and the African Regional Organization for Standardization (ARSO), located in Dakar, Ibadan and Nairobi, respectively. In the context of a new cooperation agreement with the European Community, ECA has included those institutions among the potential beneficiaries of financing in the framework of a regional budget under the Lomé Convention.

8. In 1993, moreover, the eleventh meeting of the Conference of African Ministers of Industry (CAMI.11) recommended executing a feasibility study on the establishment of a regional network for agrochemical products and agricultural machinery. Such a network would not only benefit agriculture and the agricultural inputs industry, but also by enhancing agricultural output contribute to growth in the most important manufacturing sub-sector in sub-Saharan Africa: food processing.

9. Foreign direct investment (FDI) in Africa has been very low and stagnant, inflows amounting to no more than an estimated US$ 2 billion for Africa as a whole in 1992. This represented less than 2 per cent of total FDI flows to developing regions. Nigeria, Morocco and Tunisia accounted for the bulk of net FDI. 1/ For foreign investors, Africa's main attraction is still its natural resources, although much of the investment in Tunisia and Morocco was in export-oriented industries. FDI in industrial projects that mainly target local or (sub)regional markets is extremely limited, improvements in the overall business environment in many African countries notwithstanding. South Africa, however, is showing an increasing interest in investment in countries in the southern African subregion. This subregion is now likely to be more attractive to foreign investors.

10. In spite of a slightly downward trend in overall disbursements, sub-Saharan Africa was the major recipient of official development assistance (ODA) in the early 1990s. Net disbursements amounted to US$ 16.2 billion out of a total of US$ 47.2 billion provided to all low- and middle-income countries. Per capita

net disbursements amounted to US$ 32.9, an amount that was only exceeded by that for the low- and middle-income countries in the Middle East and North Africa.

II. POSITIONS AND PRIORITIES OF THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION AND THE ECONOMIC COMMISSION FOR AFRICA IN THE CONTEXT OF THE SECOND INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA

A. Positions and priorities of the United Nations Industrial Development Organization in the context of the Second Industrial Development Decade for Africa

11. The main priority areas on which UNIDO's work in Africa could focus are captured in the United Nations Industrial Development Organization (UNIDO) Ten-point Programme for Africa which was endorsed by the eleventh meeting of the Conference of African Ministers of Industry and presented at the fifth General Conference of UNIDO. The main features of the programme are (a) development of appropriate policies and strategies for industrialization; (b) development of increased regional industrial cooperation; (c) an expanded programme for entrepreneurial training and development; (d) a comprehensive programme for development of small- and medium-scale industries; (e) development of sustainable institutional capability for industrial services and support; (f) new technological applications in industrial sectors and branches; (g) interrelationship between environment, ecological and energy needs and industrial development; (h) advanced management training for local entrepreneurs; (i) expansion of investment promotion activities; and (j) increased dissemination of industrial and business information.

12. To maximize the effectiveness of its contribution to the Second Industrial Development Decade for Africa (IDDA II), UNIDO has integrated the coordination function for IDDA in its Programme for Africa. A wide range of country-level expertise is thus available for developing IDDA programmes, and for implementing them in teamwork with other branches of the organization. This is essential because key issues escape conventional categorization in many cases, such as that of entrepreneurship development, integration of women and promotion of small rural food processing industries, all of which are interlinked. Such issues require teamwork and an integrated approach. The main burden of coordination is borne by the Programme for Africa/IDDA. In view of the "interdisciplinary" character of many projects, references to a particular UNIDO activity may be found in more than one section of the overview that follows.

13. During 1994, Industrial Sector Programme Review Missions will visit a large number of African countries. The objective of those missions will be to consult with the national authorities, the business community and the donor community about industrial development priorities and programmes, the national programme for IDDA II and the services that UNIDO can provide in this context. The Missions will also seek agreement on critical areas where UNIDO could formulate a strategy and programme in support of national efforts, in cooperation with the donor community and development finance institutions.

14. Ensuring the success of such missions is one reason why UNIDO intends to strengthen links with other United Nations multilateral and bilateral aid organizations, especially at the working level, both at Headquarters and in the field. Particular attention will be given to enhancing cooperation between UNIDO and financial institutions, such as the World Bank, the African Development Bank and the subregional development banks in Africa. The cooperation between UNIDO and ECA on specific issues like industrial sector development, human resources development, transport and communications, and so forth could also be strengthened.

B. Positions and priorities of the Economic Commission for Africa in the context of the Second Industrial Development Decade for Africa

15. During the period under review, the focus had been on research studies to assist member countries in formulating appropriate industrial policies and in implementing more effectively industrial programmes that would bring about the revitalization and restructuring of the industrial sector, and promotion of industrial programmes and projects by supporting national and multinational resource-based and core industries, including small-scale industries.

16. In the context of the Second Industrial Development Decade for Africa, emphasis was placed on strengthening the technological entrepreneurial capabilities of African countries at national, subregional and regional levels. In this regard, particular attention was paid to small-scale, cottage and rural industries. The ECA programme assisted member States in building and strengthening subregional and regional institutions for industrial development in the fields of technology, standardization, production and management.

17. In order to assist member States in creating a solid basis for industrialization and promoting collective self-reliance, goals set forth in the Treaty Establishing the African Economic Community and the programme for IDDA II, the programme of ECA will concentrate on the following priority areas:

(a) Development and promotion of basic industries (metallurgical, mechanical, chemical, agro- and agro-based etc.) essential for sustainable development of the region;

(b) Promotion of small-scale industries with a view to enhancing the generation of employment opportunities in member countries;

(c) Promotion of intermediate industries that have strong linkages to the economy in order to increase the local component of industrial output within Africa;

(d) Promotion of technical cooperation and exchange of experience between member States in the field of industrial technology and assistance in the implementation of technical training programmes;

(e) Establishment of a data and statistical information base to serve industrial development at the regional level;

(f) Promotion of South-South and North-South cooperation for the attainment of industrialization objectives in Africa.

III. PROGRESS ACHIEVED IN THE IMPLEMENTATION OF THE PROGRAMME FOR THE SECOND INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA

A. Activities undertaken by legislative organs

1. Twenty-seventh session of the Commission/eighteenth meeting of the Conference of Ministers of the Economic Commission for Africa

18. The programme for the Decade had been considered by the twenty-seventh session of the Commission/eighteenth meeting of the ECA Conference of Ministers held at Addis Ababa from 20 to 23 April 1992. The Conference had stressed particularly the importance of mobilizing domestic resources for the implementation of IDDA, of integrating IDDA programmes at the national and subregional levels, of encouraging private sector participation, and of coordinating the programmes for IDDA and UNTACDA II through a plan of action.

19. Furthermore, the ECA Conference of Ministers had adopted decision DEC.1 (XXVII), in which it recommended that, upon transmittal through the summer regular session of the Economic and Social Council, the programme for IDDA II should be adopted by the General Assembly at its forty-seventh session, and requested the Assembly to substantially increase resources provided to ECA for IDDA II so as to strengthen its capacity to effectively assist member States in the implementation of the programme. The ECA Conference of Ministers had also endorsed resolution 1 (X) of the tenth meeting of the Conference of African Ministers of Industry and adopted it as its own resolution 739 (XXVII) for the purpose of submission of the programme to the Economic and Social Council and the General Assembly.

2. Substantive session of 1992 of the Economic and Social Council and forty-seventh session of the General Assembly

20. As a follow-up to its consideration of the above-mentioned resolution and decision, the Economic and Social Council adopted its resolution 1992/44 of 31 July 1992. In that resolution, the Council endorsed the programme for the Second Industrial Development Decade for Africa, and recommended that the General Assembly, at its forty-seventh session, adopt the programme for the Second Decade and adjust the period for the programme to cover the years 1993-2002. In the same resolution, the Council also reiterated its recommendation that the Assembly provide ECA with adequate resources to enable it to assist African countries and organizations effectively in the implementation of the programme for IDDA II.

21. Further to the above-mentioned Economic and Social Council resolution, ECA prepared and submitted a draft programme budget amounting to $865,000 with a view to funding the activities planned in 1993 within the context of the implementation of the IDDA II programme. However, as ECA did not receive all

the necessary allotments, the resources allocated to it and amounting to $180,000 were not exhausted and no additional allocation was made by the General Assembly at its forty-seventh session. Nevertheless, in its resolution 47/177 of 22 December 1992, the Assembly adopted the programme for IDDA II, including its national, subregional and regional components. In that resolution, the Assembly also decided to adjust the period for the programme for the Second Decade, established in its resolution 44/237, to cover the years 1993-2002, and appealed to the international community, particularly bilateral and multilateral funding institutions, to increase significantly their contributions to the industrial sector in African countries.

3. First and second meetings of the Bureau of the tenth meeting of the Conference of African Ministers of Industry

22. The first and second meetings of the Ministers of the Bureau of the tenth meeting of the Conference of African Ministers of Industry were held in Dakar, Senegal, from 11 to 12 May 1992 and from 22 to 23 October 1992 respectively and were preceded by preparatory meetings of experts. The two meetings were prepared and serviced by the Joint Committee of the Organization of African Unity (OAU), UNIDO and ECA secretariats. The measures included:

(a) Establishment of national coordinating committees for IDDA;

(b) Integration of the national programme for IDDA II of each member State into its national economic development plan;

(c) Coordination and harmonization of the national programmes for IDDA II with relevant elements such as the structural adjustment programme, the fifth United Nations Development Programme (UNDP) country programming cycle, the United Nations New Agenda for the Development of Africa in the 1990s and the System-wide Plan of Action for African Economic Recovery and Development;

(d) Mobilization of domestic and external financial resources;

(e) Coordination of IDDA-related policies, projects and activities at the national and subregional levels particularly within the context of the work of the Committee of Ten.

4. First meeting of the Committee of Ten on the monitoring of the programme for the Second Industrial Development Decade for Africa

23. The first meeting of the Committee of Ten on the monitoring of the programme for IDDA II was held in Dakar, Senegal, from 19 to 20 October 1992. The meeting was convened mainly to define the practical modalities of the mandate of the Committee of Ten, that is, how to monitor and follow up the implementation of the programme for IDDA II at the national, subregional and regional levels.

24. The meeting emphasized the fact that it is the prime responsibility of member States to implement the programme and underlined the important role that the African Development Bank could play in the funding of the programme for IDDA II. Recalling resolution 1 (X) of the tenth meeting of the Conference of African Ministers of Industry and particularly its paragraph 7, the meeting decided on the establishment of national and subregional follow-up committees, the Committee of Ten being the regional committee.

5. Eleventh meeting of the Conference of African Ministers of Industry

25. The meeting adopted, inter alia, resolution 1 (X) on the implementation of the programme for IDDA II and beyond; resolution 3 (XI) on development of basic industries for the structural transformation of African economies; resolution 4 (XI) on the African Common Position for the fifth General Conference of UNIDO; and the Mauritius Declaration on Africa's accelerated industrial recovery and development in the context of IDDA II (1993-2002) and beyond. The resolutions and the Mauritius Declaration put emphasis on the following main points:

(a) An awareness of the changing global politico-economic environment;

(b) An appeal to the international community, in the light of the above, to help provide a favourable external environment for the industrialization of Africa, inter alia, through debt reduction, and protection of infant industries;

(c) A commitment to creating an enabling environment in Africa that provides the necessary conditions for sustained growth and increased investment;

(d) An emphasis on scientific, technological and human resources development as well as improved information, on industrial rehabilitation, and on improvements of physical infrastructure;

(e) An awareness of the crucial role played in the industrialization process by African women;

(f) A consciousness of the need for environmentally sustainable development;

(g) Harmonization of the activities of IDDA II and UNTACDA II according to the System-wide Plan of Action for African Economic Recovery and Development, in consultation with OAU, the African Development Bank and other relevant organizations;

(h) Allocation of substantial resources by subregional, regional and international financial institutions to the implementation of the Decade;

(i) Development of the private sector and African entrepreneurship including the promotion of small-scale industries;

(j) Promotion of Africa's basic industries, particularly the national and subregional projects contained in IDDA II.

6. Fifth General Conference of the United Nations Industrial Development Organization

26. In December 1993, the fifth General Conference of UNIDO which met in Yaoundé, Cameroon - one of the most important global forums on industrial development ever to have taken place in Africa - adopted the Yaoundé Declaration emphasizing UNIDO's commitment to industrialization of the least developed countries (the majority of which are found in Africa), and according the highest priority to the industrialization of Africa as well as to the realization of the objectives of IDDA II. In its resolution GC.5/Res.12 on IDDA II, the Conference urged multilateral and bilateral aid institutions to give high priority to increased investment in the industrial sector as a means of encouraging private sector investment.

27. The Conference also decided to give particular attention to:

(a) Programme and project identification, preparation, implementation and monitoring;

(b) Preparation, evaluation and negotiation of bids and contracts;

(c) Production, marketing and distribution in relation to key goods, especially in the subregional and regional context;

(d) Procurement, adaptation and development of technology, plant management and consultancy services;

(e) Industrial strategies and policies and setting up of institutional support, including development of sustainable institutional capability for industrial services, and support to local enterprises in cooperation with local chambers of commerce and representatives of industry groups and associations;

(f) Comprehensive development of small- and medium-scale industries;

(g) Assessment and determination of appropriate interrelationships between environmental and ecological needs and industrial growth and priorities in African countries.

28. The Conference also requested UNIDO, in cooperation with ECA and OAU, to continue to give high priority to the mobilization of external financial resources for IDDA II and to continue to support a strengthening of the role of the industrial sector in the implementation of the subregional component of IDDA within the framework of the African Economic Community.

B. Activities undertaken jointly by the United Nations Industrial Development Organization and the Economic Commission for Africa

1. Meetings of the Joint Committee of the ECA/UNIDO/OAU secretariats on the implementation of the Industrial Development Decade for Africa

29. During the thirteenth meeting of the Joint Committee of the ECA/OAU/UNIDO secretariats on the implementation of the programme for IDDA II, held in Addis Ababa from 3 to 6 March 1992, the Joint Committee reviewed the decisions, resolutions and recommendations of the tenth meeting of the Conference of African Ministers of Industry, namely, the establishment of a regional network for chemical products and agricultural machinery, the meeting of the intergovernmental Committee of Ten on the programme for the second IDDA, the harmonization of the programmes of IDDA II and UNTACDA II and the financing of the programme for IDDA II during the UNDP fifth programming cycle (1992-1996).

30. Given the financial difficulties facing UNDP and the uncertainty as to whether it would be able to finance subregional and regional IDDA activities, the Joint Committee, at its thirteenth meeting, proposed that joint OAU/African Development Bank/ECA/UNDP/UNIDO missions should be mounted to donor countries. The Joint Committee had also proposed that national indicative planning figures (IPFs) should be used to finance elements of the programme for IDDA II.

31. The fourteenth meeting of the Joint Committee of the ECA/OAU/UNIDO secretariats on the implementation of the programme for IDDA was held at the headquarters of UNIDO in Vienna, Austria, from 9 to 11 November 1992. Further strengthening of the cooperation among the three secretariats in support of the implementation of the programme for IDDA II was one of the main subjects discussed during the meeting. Concrete proposals and specific modalities for the implementation of the programme were formulated and agreed upon by the meeting.

32. Other activities included preparatory work for the eleventh meeting of the Conference of African Ministers of Industry and the subregional meetings for West Africa and Central Africa; continuation of the Industrial Partners Programme for Africa; and work on preparation for a meeting on resource mobilization.

2. Subregional follow-up meetings

33. The subregional follow-up meetings on the implementation of the subregional programmes for IDDA II were held in Abidjan, Côte d'Ivoire, for West Africa; Tunis, Tunisia for North Africa; Libreville, Gabon, and Brazzaville, Congo, for Central Africa; and Addis Ababa, Ethiopia, for Eastern and Southern Africa.

West Africa

34. The follow-up meeting for West Africa in Abidjan stressed the need to harmonize the programme with the Strategic Industrialization Plan under preparation by the Economic Community of West African States (ECOWAS) secretariat. The meeting made a number of recommendations to supplement those contained in the programme. It recommended close involvement of subregional professional associations and subregional institutions in the follow-up of the programme. It recommended that States should take account of subregional technological capabilities in programmes for individual industrial branches, and that enterprises and professional organizations should support subregional professional organizations. Specific recommendations included taking account of installed crude-oil refining capacities and the need for veterinary products in the subregion; continued study of production lines for fruit and vegetable processing, and food crop preservation; and encouragement of the acquisition of building materials of community origin, particularly in contracts with donors and development partners.

35. The meeting also recommended that UNIDO and ECOWAS should undertake studies on packaging, rubber and textiles, that socioprofessional organizations such as the Federation of West African Manufacturers Associations (FEWAMA) be involved in following up the implementation of the programme for the Decade; that a genuine partnership between the private sector and the State, on the one hand, and between the private sector and aid and cooperation organizations, on the other, be developed at the country and subregional level; and that the roles of other intergovernmental and regional industrial promotion organizations such as the West African Examinations Council (WAEC), the Senegal River Development Association (OMVS), the Mano River Union (MRU), and Liptako-Gourma be defined.

36. The meeting urged subregional and regional banking/financial institutions to channel the greater part of their resources towards the private sector, creating indigenous capital markets, rather than depend on the existing ones controlled by foreign interests. Finally, it stressed the need for harmonizing industrial policies and programmes, in concert with the efforts of the Organization of African Unity in that area, to accelerate standardization, and for paying special attention to small- and medium-scale industry.

Central Africa

37. In the Central Africa subregion, two follow-up meetings on the implementation of the programme for IDDA II were held (one in Libreville and one in Brazzaville). The two meetings stressed the importance of small- and medium-scale enterprises, of accelerating economic and institutional reform, of greater involvement of financial institutions in the programme, of developing, in cooperation with UNIDO and ECA, a filière (pipeline) approach for key subregional industries, of providing support to subregional professional associations, and of preparing, with UNIDO assistance, industrial master plans that took account of the need for subregional integration.

38. The meeting adopted a number of recommendations for member States, intergovernmental organizations, the private sector and international organizations. Member States were recommended to provide intergovernmental

organizations with sufficient means to contribute effectively to subregional industrial development and integration; and better diffusion of technological and technical information, stronger involvement of the financial sector in the programmes, an enhanced role for chambers of commerce, simplified investment procedures, and the encouragement of free movement of persons and goods at the subregional level were also recommended.

39. Intergovernmental organizations were recommended to take account of existing studies on subregional industrial development issues, to restructure for better performance and greater administrative transparency, to establish a framework for preferential treatment of subregional investment and enterprises, and to encourage development banks to become more involved at the subregional level.

40. The private sector was recommended to take urgent action to improve management, to strengthen professional associations, and to be involved in the selection, design and financing of infrastructural projects.

41. International organizations were recommended to give greater attention to the role of women, to reactivate the centre for technological information, and to establish modalities and programmes for direct cooperation with the private sector.

North Africa

42. The meeting on North Africa, in Tunis, formulated the following main proposals for and improvements of the subregional programme:

(a) To publicize, at subregional level, the methods developed by UNIDO, in particular for analysis of the industrial sector, the programme approach, the micro/macro approach, and strategic management of industrial development;

(b) To include the synthetic fibre industry among the new industries to be promoted, relying on abundant subregional inputs;

(c) To revise the part of the text regarding AMU structures and institutions on the basis of information provided by its representative;

(d) To strengthen the private sector. In this connection, contacts among business associations and chambers of commerce and industry should be intensified;

(e) To stimulate export industries and to strengthen the competitiveness of the countries of the subregion in the world economy;

(f) To set up a network of industrial and technological data banks and increase the exchange of information among member countries;

(g) To develop product marketing in the subregion, especially by organizing subregional fairs and exhibitions;

(h) To include in the priorities of the action programme basic-needs industries like building materials, textiles, leather and footwear as well as the agro-industries;

(i) To harmonize industrial policies so as to strengthen subregional cooperation and integration.

43. The meeting also stressed the need for research and development and subregional cooperation, greater political will to implement the programme and renewed efforts to guarantee financing of the programme, inter alia, through intensified promotion.

44. With regard to the issue of subregional cooperation mechanisms, an ECA document submitted at the meeting suggested four principal measures: (a) establishing national commissions with a detailed programme for specific activities at national and subregional levels; (b) drafting a convention for the encouragement and mutual protection of investment between countries of the subregion; (c) designing a multidimensional cooperation policy that would help countries to rise above their national interests; and (d) coordinating efforts of financial and development institutions in the implementation of subregional projects with capital needs beyond the reach of any single country.

Eastern and Southern Africa

45. At the follow-up meeting on Eastern and Southern Africa in Addis Ababa, analysis of priority subsectors and the restructuring of enterprises in many States suggested a three-level strategy: (a) continuation of reforms eliminating constraints affecting subregional industries (emergency phase, 1993-1996); (b) execution and consolidation of programmes of existing enterprises and further improvement of the business environment (consolidation phase, 1997-1999); (c) expansion in industrial priority subsectors (expansion phase, 2000-2002).

46. The meeting agreed on the following major recommendations:

(a) An enabling environment for the private sector and involvement of the private sector in industrial policy formulation and implementation;

(b) Creation of subregional and national institutions and/or mechanisms for the mobilization of financial resources for industrial development;

(c) Ccoperation among private industrial associations in such areas as entrepreneurship development programmes;

(d) Privatization programmes, facilitating the full participation of the indigenous entrepreneurs in that process;

(e) In cooperation with the private sector, review and updating of the subregional programme of IDDA II in light of the changes in the international environment and national policy reforms;

(f) With the full participation of the private sector, evaluation of the implementation of the subregional programme for each phase, and development of specific indicators by ECA, UNIDO and OAU for that purpose;

(g) Policies, strategies and programmes strengthening the linkages among sectors, especially between agriculture and industry;

(h) Strengthening of existing mechanisms for coordination and harmonization of policies, strategies and priorities;

(i) Inclusion of the functions and terms of reference of the proposed subregional Industrial Coordination Promotion Committee in the responsibilities presently entrusted to the PTA Committee for Industrial Cooperation;

(j) In implementing the subregional programme, payment of due attention to the need to ensure environment protection;

(k) Establishment by Governments in cooperation with the private sector and intergovernmental organizations of institutions providing support services to the private sector;

(l) Exploring by ECA, UNIDO and OAU of ways to support regional banks in mobilization of resources, particularly special lines of credit, to finance special projects;

(m) Further strengthening of the coordination among UNIDO, ECA, OAU, intergovernmental organizations and other relevant international organizations to assist countries in the implementation of the programme for IDDA II;

(n) Taking of concrete steps by ECA, UNIDO and OAU to improve their communication with the private sector in African countries;

(o) Dissemination by ECA, UNIDO and OAU of information on industrial policies, potential markets, raw materials and technology and distribution services among member countries;

(p) Endeavours by ECA, UNIDO and OAU to forge closer links between the Eastern and Southern Africa subregion and other subregions within Africa, as well as with other regions of the world especially Asia;

(q) Assistance from ECA, OAU, UNIDO and PTA in creating an Association of Private Entrepreneurs of the Eastern and Southern African subregion. At the national level, Governments should take action to create national entrepreneurs' associations;

(r) Organization by ECA, UNIDO, OAU and PTA, in collaboration with Governments and the private sector, of a conference of the business community of Africa to increase its awareness about the objectives of IDDA II and to strengthen the relations of African entrepreneurs.

3. Other subregional activities

47. In support of private sector development, assistance was provided by UNIDO in the preparation of a programme presented at a meeting on economic integration in Central Africa at Libreville, Gabon, in September 1993 in cooperation with the Economic Community of Central African States and with the active participation of representatives of the business community. At the meeting, it was agreed that small-scale agricultural machinery was the first priority for subregional cooperation in investment and technical cooperation resource mobilization, followed by wood, iron and steel, and the petrochemical industries. It was also agreed that in the development, promotion and implementation of subregional projects, a new approach should be adopted focusing on the full and active involvement of the private sector.

C. Activities of the United Nations Industrial Development Organization and the Economic Commission for Africa in support of the Second Industrial Development Decade for Africa

1. Africa area programme activities

48. The total value of UNIDO projects included in the technical support services (TSS)-1 work plan approved by UNDP for Africa amounted to about $2.0 million. The results of the studies laid a solid groundwork for the development and formulation of technical cooperation programmes and projects. The preparation of proposals for 1994-1995 was also initiated.

49. An industrial technology plan for Nigeria and a human resource development programme for Botswana were completed, while an industrial policy statement providing broad guidelines for an industrial technology plan was prepared for Ghana. Furthermore, human resource development programmes for Ethiopia and Nigeria, a science and technology programme for Zambia and a technology plan/programme for Ethiopia were initiated for completion in 1993.

50. Technical cooperation funds for the region were significantly reduced in 1993 as a result of the difficulties in mobilizing financial resources, especially from UNDP. Thus, in 1993, of the 103 projects for a total amount of $12 million, only 6 were financed from UNDP sources for a total amount of only $1.7 million. In the past, over 70 per cent of UNIDO-executed projects in Africa had been funded from UNDP sources.

51. The above notwithstanding, UNIDO continued to actively participate in the formulation of country programmes and related subprogrammes approved for financing from UNDP sources. Industrial sector review and programming missions were fielded to Cameroon, Guinea, Madagascar, the Niger, Nigeria, Sierra Leone, the United Republic of Tanzania and the West Africa subregion to formulate programmes and projects, including investment projects.

52. The priority accorded the private sector in 1992, as well as the emphasis on certain types of projects, continued to apply to country-level activities in the region throughout the biennium. Sectoral focus at the subregional level

continued to correspond to sectors identified by subregional organizations in Africa. In addition to activities carried out in respect of industrial sectors as emphasized in the programme and budgets for the period, UNIDO intensified its technical cooperation with African countries in the areas of industrial restructuring and privatization. In that regard, cooperation with development financing institutions, such as the African Development Bank, was also strengthened.

53. UNIDO was implementing 25 TSS-1 projects in the region, including a study on the impact of changes in South Africa on the eastern and southern agricultural subregion. The study focused, inter alia, on new mechanisms for linking industrial systems across the subregion, the transfer of technology and human resource development. In the last-mentioned area, UNIDO also developed two programmes for post-apartheid South Africa on developing managerial and entrepreneurial skills with emphasis on women in the agro/food processing industry. Expenditure on technical cooperation in Africa, and its share in total UNIDO technical cooperation, are shown in tables 1 and 2.

Table 1. UNIDO technical cooperation activities: project expenditure in 1992

(Thousands of United States dollars)

	Africa a/	Total
UNIDO regular budget		
IDDA	549	549
Regular programme (RP)	301	1 910
UNDP/IPF, cash counterpart and special measures	20 222	55 594
UNDP special industrial services (SIS)	527	1 806
UNDP-administered trust funds	1 636	1 533
Self-financed trust funds	12 120	13 512
Third party-financed trust funds	1 104	9 068
Other trust funds	581	12 192
Industrial Development Fund (IDF)	6 846	29 322
United Nations International Drug Control Programme (UNDCP)	620	4 369
Non-UNIDO funds	2 022	5 777
Total	46 528	135 632
Project personnel	27 966	69 263
Subcontracts	5 859	16 648
Fellowships and training	3 381	16 356
Equipment	7 623	28 686
Miscellaneous	1 697	4 680
Total	46 526	135 632

a/ Including figures related to country projects in African Arab States.

Table 2. UNIDO technical cooperation activities: project expenditure in 1993

(Thousands of United States dollars)

	Africa a/	Total
UNIDO regular budget		
Regular programme (RP)	1 777	4 658
IDDA	4 014	4 014
UNDP/IPF, cash counterpart and special measures	15 461	38 012
UNDP special industrial services (SIS)	748	3 032
UNDP-administered funds	151	143
Self-administered trust funds	9 835	12 021
Third party-financed trust funds	1 014	7 633
Other trust funds	185	10 064
Industrial Development Fund (IDF)	5 276	27 288
United Nations International Drug Control Programme (UNDCP)	374	2 040
Non-UNIDO funds	1 829	8 930
Total	40 663	118 825
Project personnel	20 050	66 156
Subcontracts	5 409	13 850
Fellowships and training	3 057	14 324
Equipment	5 345	19 800
Miscellaneous	1 803	4 694
Total	40 663	118 825

a/ Including figures related to country projects in African Arab States.

2. Promotional activities for the Industrial Decade for Africa

54. Pursuant to UNIDO General Conference resolution GC.4/Res.8, assistance was provided to the Group of African States in New York, in consultation with ECA and OAU, with respect to the submission of the programme for IDDA II to the Economic and Social Council and subsequently to the General Assembly for adoption at its forty-seventh session. In response to the General Conference request that the activities of IDDA II be harmonized with those of the Second Transport and Communications Decade in Africa (UNTACDA), consultations were initiated with ECA on the preparation of an action plan called for by the Dakar Declaration on Industrialization and Economic Integration in Africa (see document E/ECA/CM.18/12), for the 1990s. The first draft plan of action was to have been submitted to the eleventh meeting of the Conference of African Ministers of Industry in May 1993.

55. UNIDO technical cooperation activities with IDDA funding in 1992 covered 18 projects totalling $2,687,220 and consisting of 6 national projects with a value of $768,485 and 12 regional projects costed at $1,918,735. Of these, seven projects amounting to $775,600 were planned for joint financing with the Agency for Cultural and Technical Cooperation (ACCT) and UNIDO execution under subcontracting arrangements with ACCT. The projects approved were based on priorities of national and subregional programmes for IDDA II.

56. In the agro-industrial subsector, food processing - including fruit and vegetable preservation - and the leather industry were emphasized. High priority was given to human resource development with special reference to local entrepreneurship, integration of women in industrial development, promotion of the private sector, and training of trainers in the area of agro-food packaging, and of agricultural machinery manufacturing, as well as training of staff of banks in the appraising and financing of industrial projects with a view to facilitating funds mobilization for industry. Particular emphasis was also placed on regional cooperation, technology acquisition and development, energy and environment. Most projects approved for implementation were in the least developed countries (LDCs) which form the vast majority of African countries.

57. The amount of $4.75 million budgeted for supplementary activities for 1992-1993 was entirely programmed. The activities in 1992 amounting to $2,023,200 were mainly in the fields of technology development and acquisition, mobilization of financial resources and support for the implementation of national and subregional programmes for IDDA II. Also as part of the supplementary activities, $606,300 worth of short-term advisory services (STAS) were provided to African countries, mainly LDCs, in the areas of industrial policies and strategies, techno-economic studies on agro-industrial projects, institution-building, development of drugs from medicinal plants, industrial rehabilitation, market studies, transfer and application of solar energy technologies, maintenance and repair, and production of automotive components.

58. Of particular relevance to the special needs of African LDCs were the activities related to the enhancement of industrial production of cheap and enriched foods in those countries and the organization of a workshop on privatization to be held in the United Republic of Tanzania.

59. Support was provided to the Organization of African Unity (OAU) through the organization of two meetings during the sixth All-Africa Trade Fair held at Bulawayo, Zimbabwe, in September: Techmart Africa 1992 on technology acquisition and negotiation, and a meeting of national investment promotion centres, held in cooperation with the UNIDO Investment Promotion Services. As a contribution to the establishment of the African Economic Community, a protocol on industry and a study on regional economic integration were prepared by UNIDO and submitted to OAU at its request.

60. Support was also provided for the commemoration for the third time of Africa Industrialization Day on 20 November, held in 1992 under the theme of building materials and economic integration in Africa.

61. As the first year following the adoption of the programme for IDDA II by the General Assembly (in its resolution 47/177), 1993 was particularly significant for the programme.

62. In 1993, highest priority was accorded to agricultural machinery, investment promotion, engineering, food processing, textiles, chemicals (in particular pharmaceuticals), management and rehabilitation, and human resource development. Regional project emphasis was on agro-industries (particularly leather and food), transfer of technology, feasibility studies, energy and environment, and human resource development. Steps were taken to mobilize financial resources by using IDDA funds as seed money. Nearly $900,000 worth of projects were implemented under co-financing arrangements with ACCT and UNDP. As in other years, projects in favour of LDCs accounted for the bulk of activities in the region.

63. Investment promotion activities within the framework of the Decade included the Investment Forum for Central African States held at Yaoundé, Cameroon, in November. The PTA investment promotion forum, originally planned for November at Lusaka, Zambia, was postponed until January 1994. Activities for Africa Industrialization Day (20 November) are described below.

64. Supplementary activities delivery totalled $2,301,563 for the year and covered activities related to mobilization of financial resources, investment promotion, support for technology acquisition and negotiation, human resources development with emphasis on local entrepreneurship and integration of women in industrial development, and the development of national programmes for the domestic manufacture of spare parts. Services to African LDCs included most of the supplementary activities provided under STAS, for which the implementation in 1993 amounted to $1,358,193.

65. During the course of 1993, within the framework of IDDA subregional programmes, ECA carried out feasibility studies of 11 subregional projects in the priority areas of metal, chemical, engineering and agro-industries. The projects that will be promoted are the following.

66. Central African subregion: (a) production of urea and ammonia from gas, to be located in Cameroon; (b) creation of an agro-industrial complex processing cassava, to be located in the Central African Republic; (c) an agricultural

machinery project to be located in a country of the Central African Customs and Economic Union (UDEAC).

67. Eastern and Southern African subregion: (a) edible oil production to be located in Lesotho; (b) phosphate fertilizer plant, to be located in Uganda; (c) establishment of an integrated iron and steel mill, to be located in Madagascar.

68. North African subregion: (a) expansion of the diesel engine manufacturing plant, to be located in Tunisia or Egypt; (b) production of vegetable oil, to be located in the Sudan, Tunisia, Algeria or Morocco.

69. West African subregion: (a) establishment of an integrated iron and steel plant for flat and tubular products, to be located in a country of ECOWAS; (b) establishment of a subregional phosphate fertilizers industry, to be located in a country of the Liptako-Gourma; (c) plants for the industrial processing of millet and sorghum, to be located in the Niger and Nigeria.

70. In order to assist member countries in promoting the above projects, the following tasks were performed so as to lead to the feasibility studies, namely:

(a) Assessment of the status of projects selected in each subregion and provision of technical advice on their implementation including, if required, modalities for feasibility studies;

(b) Assistance to member countries in defining the role of the lead country, other countries, the private sector and financial institutions participating in the projects;

(c) Discussion, with government authorities, intergovernmental organizations and subregional and regional financial institutions involved in the projects selected in each subregion, of the steps required for the implementation of the projects;

(d) Assistance to member countries in setting up appropriate coordination mechanisms for ensuring the efficient implementation of the selected projects;

(e) Assistance to member countries in finding ways and means of mobilizing adequate domestic and external financial resources for feasibility studies and implementation of the projects;

(f) Making of recommendations on follow-up activities to be carried out.

3. Least developed countries

71. Africa is a major focus of UNIDO's programme for least developed countries (LDCs). The wide range of activities in Africa under UNIDO's industrial action plan for LDCs included the following: a programme for industrial human resources planning and development in Botswana; an integrated programme of privatization policies in Burundi and the Sudan; human resources development related to privatization in Chad, Equatorial Guinea, Mali and Zaire; industrial

rehabilitation in the Central African Republic and Uganda; and small- and medium-scale enterprise development in Djibouti, Lesotho and Madagascar. Other examples of programmes and projects covered technical support (including training) for the preparation of loan applications by local promoters, and for the identification and evaluation of appropriate technologies (Mali), enterprises development in the construction sector using local building materials (Rwanda), a one-stop investment centre (Zambia), and the integration of women in rural industrialization with special focus on food processing (the Gambia and Zambia).

72. A seed programme promoting traditional wood industries in Central and West African LDCs was under implementation; financing for the programme was secured from the contribution of Italy to the industrial action programme for LDCs and the LDC component of the Regular Programme of Technical Cooperation. Projects on food production, privatization and transfer of technology were approved from IDDA supplementary activities.

73. A highlight in the implementation of the seed programme for the promotion of the traditional textile industry in West African LDCs was the workshop held at Ségou, Mali, in May. At the workshop, a programme of action was approved for the promotion of the industry. As follow-up to the Ségou workshop, UNIDO organized a "mini show" on traditional textiles during the Third International African Arts and Crafts Show, held at Ouagadougou, Burkina Faso, in October/November. UNIDO also moderated a workshop on the promotion of African traditional textiles. These activities were widely appreciated.

74. The two projects that emerged from the programme of action approved at the Ségou workshop came closer to realization in 1993. One project - building and upgrading of national capacity in traditional textile and entrepreneurship development - was submitted for financing. A feasibility study for the other project - the establishment and operation of national tissuthèques (textile "libraries") in West African LDCs - was undertaken. The outcome will be published in the form of a self-help guidebook aimed at assisting the respective Governments in the creation of their own national tissuthèque.

4. Direct support

Agro-based industries

75. New projects in the wood processing industries sector were undertaken to assist the development of handicrafts in Benin, Burundi, Rwanda and Togo. A comprehensive programme proposal for the rehabilitation and development of the sugar industry in East and West Africa was finalized, and a 1993 workshop in Port Louis, Mauritius, discussed measures to improve the competitiveness of the African sugar cane industry, with agreement reached on a regional programme of action.

76. In Ghana, the second phase of the project to convert locally produced sorghum into malt, together with the implementation of the raw materials development plan of the first phase, was contributing towards self-sufficiency

in the raw materials supply of Ghana's brewing industry through import substitution.

77. The work in introducing high technology to developing countries in the leather industry continued by starting computer-aided design (CAD) services for the footwear companies in Zimbabwe, and providing training on computer-aided manufacture (CAM) (application of automated shoe lasting lines) in Egypt. Methods promoting the use of advanced techniques in shoe manufacturing were the subject of technology seminars carried out in five East African countries, funded under the IDDA programme.

78. A follow-up project for on-the-job management training, implemented initially in Kenya, covered the full range of skills necessary to effectively manage a shoe company, including cost control, total quality management, production planning, marketing and design. The concept was also being adapted to the food processing sector.

79. Support to the development of rural micro-industries continued in Senegal, and the concept was further extended to Burkina Faso, Guinea and Mali, while in 1993 a team of experts was fielded to Madagascar to start up a rehabilitated peanut oil factory.

80. In order to assist member countries in the development and promotion of composite and non-wheat flours, ECA prepared and dispatched to end-users a technical publication - a technical handbook on composite and non-wheat flours in the context of IDDA II.

Chemical industries

81. The high priority assigned to the building materials industry by African Governments was reflected in the fact that the 1992 Africa Industrialization Day (20 November) was dedicated to the industry. Ongoing projects in the sector were found, inter alia, in Cameroon, Chad, Madagascar and Zaire. Those projects gave priority to the creation of small-scale manufacturing enterprises, often as joint ventures with equipment suppliers, and included training programmes for the entrepreneurs and their staff, providing hands-on experience in the selection of raw materials, the manufacture of products and the construction of low-cost housing units using the materials produced. Small-scale enterprises not only dominate the African building materials sector, but are also increasingly characteristic of UNIDO assistance to other subsectors of the non-metallic mineral-based industries.

82. The main focus of the activities in the larger-scale cement, lime and concrete industries was on capacity utilization, for example, in Egypt, the Libyan Arab Jamahiriya and Nigeria. Planning began in 1992 for special training programmes in the cement industry in the Libyan Arab Jamahiriya and in the PTA countries, and rehabilitation of the industry in PTA countries and in the Niger was studied.

83. Self-financed trust funds played an important role in the support services extended to the cement industry in these countries, and in Gabon. Efficient operations and maintenance through self-financed direct-support technical

cooperation projects were emphasized. Assistance in mechanical maintenance was also provided to the cement industry in the Sudan.

84. Human resource development formed an integral and important part of technical cooperation activities in the subsector, with specific training programmes designed to suit the needs of technical staff, allied research institutes and policy makers. A seminar organized with the Suez Cement Company at Cairo, Egypt, discussed cleaner production in the cement industry.

85. UNIDO installed a new marble processing factory in Ethiopia in 1993, financed by the Government of Italy. This was recognized as a milestone in the establishing of a domestic marble industry. The project demonstrated the possibility of women's integration into the industry, not only by training female machine operators but also through employing a female production manager. In September 1993, products of the new factory were promoted at the Verona International Marble Fair in Italy with great success, a large number of buyers indicating strong interest in placing orders in Ethiopia.

86. Two technical publications (one on possibilities and perspectives of the production of basic chemicals from natural gas in Africa, and the other on natural resources for the production of nitrogen, phosphate and potash fertilizers in Africa, their utilization and perspectives for their integrated development in the context of IDDA II) were produced during the period under review with a view to assisting member countries in their efforts to develop and promote agricultural inputs.

Metallurgical industries

87. With a contribution from Austria, the technical and financial inputs required to complete the rehabilitation of the East African Steel Company at Jinja, Uganda, were assessed in 1992. With the commissioning of a multibillion dollar integrated steel plant at Ajaoukuta, Nigeria, the UNDP/UNIDO assistance provided through the National Metallurgical Development Centre, Jos, acquired the utmost importance for the Nigerian economy. In Algeria, know-how gained from pilot implementation and operations of computerized maintenance management was transferred to a local area network of workstations throughout a steel plant.

88. Advisory services were rendered to the Governments of Namibia, in establishing a new, cost-effective industry based on the availability of domestic ferrosilicon raw materials, and of Sierra Leone, in improving natural resource development.

89. A technical publication on the possibility for application of compact miniplants technology to the manufacturing of steel products in African countries in the context of IDDA II was produced and dispatched to end-users with a view to drawing their attention to the necessity of developing metallurgical industries in Africa for sustainable development.

Engineering industries

90. In accordance with the great importance of the agricultural sector in Africa, UNIDO has been involved in training programmes for the design and production of agricultural tools, implements and farm machinery; assistance was also provided to the development of agricultural mechanization policies.

91. With joint funding from the programme for IDDA II and the International Fund for Agricultural Development (IFAD), a project was initiated in the development and dissemination of appropriate food processing equipment for rural women in sub-Saharan Africa. The aim of the project is to assist in the local production of various kinds of mills and dehullers, taking into full account the women's needs and working conditions in cereal processing. Similar projects were being implemented elsewhere in sub-Saharan Africa; apart from increasing production, they are also helping to alleviate women's workloads.

92. In Nigeria, assistance was provided in introducing farm mechanization policies and in formulating a project document on agricultural mechanization. In Burkina Faso, assistance upgraded technicians' maintenance skills in the field of agricultural tools, implements and farm machinery.

93. In the area of metalworking and the machine tools industry, major achievements included a large-scale project assisting the Engineering Design and Tool Centre in Ethiopia in coordinating national mould and die design and development. Promotional activities for Ethiopian handmade tools, household cutlery and spare-parts products were organized through video spots, brochures, promotional tours and seminars for PTA countries.

94. A project establishing the Engineering Development and Service Centre in Kenya was completed operationally. It is now ready to help increase the country's autonomy in terms of engineering design, workshop prototype production of machinery parts, components, products and allied tools and accessories. Work was initiated to propose a second phase in which the Centre would attain commercial and financial self-sufficiency. Also in Kenya, work continued on a workshop and office buildings for Jua Kali (informal sector) training. In Algeria, a project at the Entreprise nationale d'engineering mécanique, helped Algeria to strengthen its capacity for studies in the field of tool design and production.

95. In the field of transportation, a railway transport development awareness workshop was conducted at Fribourg, Switzerland, for selected African countries. Assistance continued to be provided to Zimbabwe in the design, development and manufacturing of low-cost rural transportation equipment through transfer and application of appropriate technology, in particular for the local production of trailers, ox carts and wheelbarrows.

96. Finally, UNIDO is helping to promote the introduction of electronics. Examples of assistance in this area include a centre for electronic packaging, technology and ergonomic design, and a regional environmental testing and tropicalization centre. Computer-assisted design and testing for railway carriages was introduced at a rolling stock enterprise in Egypt.

97. A technical publication on the guidelines for the manufacture of agricultural tools, implements and low-cost transport equipment by small-scale engineering industries in the context of IDDA II was also produced and disseminated by ECA.

Small-scale industries

98. Owing to the important role played by small-scale industries in the industrialization process of Africa, and to the fact that the development of the private sector is one of the priority areas underlined by the Conference of African Ministers of Industry (CAMI), during the period under review ECA prepared three technical publications (one a manual for trainers in the development of entrepreneurship in small-scale industries; the second on the structure of industrial enterprises in the informal sector in selected African countries; and the third a directory of project profiles on small-scale industries).

Energy and the environment

99. UNIDO places special emphasis on the close relationship between energy and the environment. Missions to Angola and the United Republic of Tanzania resulted in follow-up work on a comprehensive regional programme for energy and environment for the SADC countries, as well as a large-scale programme for energy. The implementation of a regional African project continued with site verification for the construction of small hydropower stations for demonstration purposes in three countries. In 1993, pre-investment analyses were undertaken which concerned cooperation with Egypt, Kenya and Nigeria on techno-economic appraisals of investment projects to phase out the use of ozone-depleting substances in their refrigeration industry.

100. A comprehensive programme for biomass energy utilization, within which a number of specific projects were developed in 1993, was given priority because of the long-term benefits of reducing deforestation and atmospheric levels of carbon dioxide. An existing programme on industrial scale biogas from industrial and municipal solid wastes was continued and strengthened. At the end of the year, construction began of a pilot plant treating food processing waste in Zimbabwe. A study was initiated on the potential for large-scale utilization of biogas in three other North African countries.

101. In Kenya, a project was launched in 1992 to carry out energy audits in selected small- and medium-scale industries and to train local staff in the application of the computer-based energy conservation project evaluation and reporting system applying software developed by UNIDO and named Computer Model ENERCOST.

102. Through financial resources provided to UNIDO for the first time by the Global Environment Facility (GEF) of the World Bank, the United Nations Environment Programme (UNEP) and UNDP, a large-scale ($6 million) project was approved in 1992 that would determine types and levels of urban and industrial pollution entering the Large Marine Ecosystem of the Gulf of Guinea and investigate the impact of that pollution on biodiversity and the ecosystem, particularly in coastal areas and lagoons, wetlands and other critical habitats

in the participating countries - Benin, Cameroon, Côte d'Ivoire, Ghana and Nigeria. The project would also determine how best to mitigate pollution stress on those ecosystems, both technically and institutionally. The Government of France participated in the funding of the preparatory assistance and was considering making an additional contribution for some specific activities relating to the establishing of demonstration sites in the five participating countries. The project would show decision makers in these countries the benefits of appropriate measures ensuring the long-term environmental sustainability of the Large Marine Ecosystem, and would provide optimal solutions.

103. Work concerning environmental protection within the Africa leather programme continued in 1993 through direct assistance to several plants. A commercial-size model effluent treatment plant started its operations during the year and a regional seminar on pollution control in the leather industry took place at Nairobi, Kenya, in June.

104. Projects executed to promote ecologically sustainable industrial development (ESID) strategies and policies in 1993 included preparatory assistance for the formulation and implementation of integrated industrial and environmental policies in Madagascar and Mozambique which concentrated on institutional, policy and technical requirements as well as implementation mechanisms; and capacity-building for effective and integrated industrial and environmental management in Morocco. In addition, studies on the requirements for ESID were undertaken in Algeria, Morocco and Tunisia. A UNIDO/UNEP training course on environmental management for industrial managers and engineers was successfully organized in cooperation with the Eastern and Southern Africa Management Institute at Arusha, United Republic of Tanzania. Three regional training programmes on ESID basics are to be implemented in 1994.

Technology development and promotion

105. Regional Technological Information Exchange System (TIES) activities, specifically African TIES, received another boost with the approval in 1992 of the African-TIES project under the programme for IDDA II. The project, which has a strong focus on human resource development activities in technology transfer negotiations, revolves around the concept of technology sharing and exchange among countries in the region. A regional meeting of African institutions involved in technology transfer and development convened at Rabat, Morocco, in 1993 under the African-TIES programme. The networking established through these meetings provides a rich and valuable source of information and expertise. The African-TIES programme has also paved the way for projects aimed at the creation of national advisory and consultancy capabilities, as in the case of Guinea and Senegal (see below).

106. An example of (sub)regional cooperation was the 1993 subregional workshop on new materials and their impact on the economy of the countries of the Economic Community of West African States. This workshop, funded under IDDA, laid down the basis for the networking of materials technology centres in Africa. Another example was the programme on biotechnology which was initiated to stimulate research into improvements of traditional lactic acid fermentation processes through linkages and networking arrangements of existing national and

regional programmes in developing countries. A study on the subject was completed in 1992 and proposals for a network of focal points were being formulated in Africa, again with IDDA funds.

107. A series of activities to promote international biotechnology networks, undertaken in response to Agenda 21, 2/ included the launching in 1993 of the Biosafety Information Network and Advisory Service (BINAS) and the Mushroom Biotechnology and Bioconversion Network (MUSHNET) as well as preparations for the Lactic Acid Bacteria Network (LABNET). In conjunction with the UNIDO-sponsored African regional symposium on food fermentation technology and with the aim of strengthening the networks in Africa, working groups on LABNET, MUSHNET and cassava bio-processing were held in Senegal in collaboration with the African Agency for Biotechnology and the African Regional Centre for Technology. To strengthen regional capacity, 35 African biotechnologists participated in a regional training workshop on modern genetic engineering techniques organized in collaboration with the University of Zimbabwe.

108. An inventory of locally developed technologies in Africa was initiated. An expert hired under the IDDA STAS programme was fielded to identify local technologies for promotion in Lesotho, while another made an assessment of existing technological capacities and capabilities in Zambia and Zimbabwe, as part of an integrated industrial sector programme. Mechanisms for promoting local technologies, inventions and innovations in Burkina Faso were put in place by a consultant provided under STAS.

109. In response to the growing demand for its training programmes on technology acquisition and negotiation, UNIDO organized courses on technology transfer negotiation and contracting. For example, a workshop was held at Zanzibar, United Republic of Tanzania, in September 1992. In addition, workshop modules and advisory services on technology contracting were provided to the UNIDO Techmarts that were held at Bulawayo, Zimbabwe, in September. In 1993, preparations were under way for a Techmart to be held in 1994 in Zambia for the countries of PTA. These educational activities are intimately linked to the development of a manual on technology transfer negotiations and the subsequent development of a UNIDO course on technology transfer negotiations.

110. Capability-building through institutional assistance included a large project for the establishment of a national system for technology acquisition, indigenization and monitoring in the United Republic of Tanzania, and a similar large project for strengthening the National Office for Technology Acquisition and Promotion in Nigeria. Under the IDDA programme, institutional assistance was provided to build up self-sufficient advisory and training capabilities in the field of technology transfer operations in Senegal. These would serve not only the national needs of Senegal but also those of the subregion.

111. The year 1993 saw an overwhelming demand for the UNIDO capability-building programme in technology transfer, contracting and negotiation. The capacity of UNIDO to deliver this type of service in a professional and systematic way was made possible to a large extent by the product-service package Manual on Technology Transfer Negotiations. In response to requests, workshops and seminars on technology transfer contracting and negotiation were conducted in Cameroon, the Congo, Guinea, Kenya, Morocco and Senegal (twice). In general,

these workshops were geared to the training not only of negotiators but also of potential trainers of negotiators, in line with the objective of creating national and regional self-sufficiency.

112. In cooperation with the International Communications Union, a project to assess capacities and capabilities for the manufacture of telecommunications equipment in Africa was under consideration. For a start, regional information related to conditions for the indigenous production of telecommunications equipment was collected. In 1993, this was followed by a large-scale project to assess capacities and capabilities for such equipment in Africa with the cooperation of the International Telecommunication Union (ITU) and regional and subregional intergovernmental organizations in Africa.

113. The African Institute for Higher Technical Training and Research in Kenya received advisory services regarding a communications centre. In response to a recommendation of a UNIDO Workshop for African and Arab Country Representatives from the Telecommunications Industry, regarding a roving exhibition of Indian telecommunications and electronics equipment and applications in African countries, a preparatory mission to selected African countries was undertaken to facilitate the organization of such an exhibition in 1993.

114. At the request of the Pan African Union of Science and Technology, a project was prepared to assist in the establishment of a software application programme for promoting computer applications for small- and medium-scale industries. In 1993, enterprises whose effectiveness could be increased by computer applications were identified. As a result, requests for assistance in the establishment or improvement of computer applications were received from Ghana, Kenya and Senegal.

115. In 1993, science and technology policies suitable for African countries were studied. The aim was to propose, within the IDDA programme, a programme on science and technology that would expand and deepen science and technology efforts in Africa, to restructure and revitalize industrial technology research institutions, and to relate science and technology to the promotion of foreign investment and private sector development.

116. The Industrial and Technological Information Bank (INTIB) continued its activities during the period under review. The Fund for Solidarity and Economic Development of the West African Economic Community (FOSIDEC), at Ouagadougou, became the subregional focal point for the seven West African member countries in October 1993.

Industrial investment

117. During 1992, the promotion of 41 projects with a total investment of $150.2 million was concluded. A total of 144 investment projects were identified in the context of the national investment forum for Madagascar (see below), the Round Table at Bulawayo (see below) and the Investment Forum for ECOWAS held at Dakar, Senegal, in December. The Dakar Forum, which was organized by the European Community in collaboration with UNIDO, attracted 743 participants, including 268 from Europe, Asia and North America. UNIDO

supported the participation of 23 entrepreneurs, of whom two signed partnership agreements and seven signed letters of intent.

118. In 1992, three technical cooperation programmes were completed in Cameroon, Mali and Senegal which focused on investment in food processing, building materials and textiles. Advisory services were provided to the Governments of the Gambia, Mali and Zambia on legal, institutional and fiscal measures aimed at the creation of an enabling environment for private investment. Mali also received assistance in updating its investment code, and the investors' guide to the Gambia was updated.

119. Assistance to investment-related institutions in Guinea, Kenya, Mali, the United Republic of Tanzania and Uganda involved the establishment of data banks for investment promotion, and the identification of investment opportunities in targeted subsectors. Four workshops on privatization and restructuring were organized for staff of investment promotion agencies in Kenya, Senegal and the United Republic of Tanzania.

120. A Round Table of African investment promotion centres was held from 7 to 9 September 1992 at Bulawayo, Zimbabwe, to discuss measures to improve the investment climate in African countries and to associate the centres with the UNIDO network of Investment Promotion Service Offices by making use of the UNIDO methodology for the formulation, screening and promotion of investment projects.

121. Cooperation with national investment promotion agencies continued during 1993 as a follow-up to the Bulawayo Round Table. All investment promotion agencies in the PTA subregion were mobilized and actively participated in the preparations for the 1994 PTA investment forum. These national agencies will be incorporated in the World Investment Service (WINS) which is being equipped with an electronic mail system.

122. The year 1993 saw the successful promotion of 21 investment projects, amounting to $22.3 million. Investment promotion activities included advice to Governments to improve the environment for local and foreign industrial investments; updating of investment-related legislation; strengthening of the institutional infrastructure leading to private sector development; and direct support in the identification, formulation, screening and promotion of investment projects.

123. The investment technical cooperation programmes, in Kenya, Uganda and the United Republic of Tanzania, all financed by UNDP, were completed in 1993. Four new programmes became operational: two in Madagascar to promote investment in tourism and to prepare for a national investment promotion forum scheduled for April 1994; and two in Zambia, with financing from UNDP and contributions of the Irish and Norwegian Governments, to assist in the revision of business-related laws and to establish an investment promotion agency.

124. Under funds administered by UNIDO, two other national programmes were launched: in Cameroon, the second phase of a resource mobilization programme in the building materials sector; and in Ethiopia, assistance to the newly created investment office, which is expected to lead to the development of an integrated

industrial investment programme. Several programmes were launched at the subregional level under the IDDA programme:

(a) The PTA investment promotion forum, held at Lusaka, Zambia, in January 1994, for which 176 investment projects were identified using national expertise;

(b) A forum for Central African States, held at Yaoundé, Cameroon, in November, with the collaboration of the Commission of the European Communities and its Centre for the Development of Industry;

(c) Assistance - with co-financing from ACCT - in the creation/rehabilitation of small- and medium-sized enterprises/industries in Guinea, Guinea-Bissau and Mali through extensive training both in the field and at the Investment Promotion Service (IPS).

125. A delegates programme was organized at the IPS office in Paris with a contribution from the Government of France. It included delegates from selected African countries.

126. Country presentation tours were organized for the United Republic of Tanzania in Japan and for Uganda in the United Kingdom of Great Britain and Northern Ireland and the Benelux countries. In Ethiopia and Zimbabwe, draft guarantee scheme agreements involving national development and commercial banks were prepared. These favour small-scale entrepreneurs whose limited collateral is an obstacle to acquiring financial resources.

127. In the field of human resource development, training seminars were conducted on investment promotion, the use and application of the Project Profile Screening and Pre-appraisal Information System (PROPSPIN) and the UNIDO Computer Model for Feasibility Analysis and Reporting (COMFAR) in Benin. Participants from ECOWAS and its Fund for Solidarity and Economic Development as well as from the Niger and Togo were also trained in the use of PROPSPIN. Data banks based on the DIPP (Databank for Investment Promotion Programmes) software system were installed and personnel trained in investment promotion agencies in Guinea, Guinea-Bissau, Mali, Mozambique and Zambia.

128. In the field of the industrial investment promotion, two ad hoc expert group meetings on the promotion of investment in industrial projects in the context of IDDA II were held (one in 1992, and another in 1993). The two meetings gave opportunity to participants to exchange experience and make valuable comments and suggestions on a technical publication on the mobilization of financial resources for industrial investment which was finalized and dispatched to end-users.

129. In addition, a technical publication on investment and financial policies and their impact on the development of indigenous industries was produced and dispatched by ECA.

Institutional infrastructure

130. Many of UNIDO's activities in 1992 to strengthen the institutional infrastructure for industrial development in Africa aimed at the small- and medium-scale sector. Multidisciplinary teams responded to their technical cooperation needs at the policy, institutional and enterprise level; the particular problems of individual countries were given special attention.

131. At the policy level, technical cooperation aimed at creating and sustaining an environment conducive to the development of small- and medium-scale industries and the private sector, including measures to increase their access to finance.

132. Malawi provides an example of ongoing technical cooperation projects stimulating the establishment or expansion of small- and medium-scale industries, with particular focus on entrepreneurship development. Activities in Malawi heavily emphasized women, in an effort to establish role models of successful women entrepreneurs and of viable new business opportunities. This is an example of activities catering to specific target groups in industrial sectors that were given priority in national development plans. Government interest and support in entrepreneurship development programmes were indicated by additional inputs made available to expand the projects.

133. At the institutional level, the involvement of associations of industries and other non-governmental organizations as support service institutions provided many stimuli; in addition, technical cooperation needs were identified and assistance was provided in selected areas where the support infrastructure was inadequate. These projects were instrumental in preparing the base for a new dialogue and the sharing of responsibilities between the public and private sectors.

134. Thus, in a number of African countries such as Burkina Faso, Burundi, Cameroon, Madagascar, Mauritania, the Niger, Rwanda and Senegal, technical cooperation projects focused, inter alia, on enhancing private sector involvement in organizing and supporting essential institutions and services. Under the leather industries programme mentioned above, assistance continued to be given in the establishment of private industry associations, for example in Malawi, the United Republic of Tanzania and Kenya. Those associations are expected to be the main beneficiaries of the second phase of the leather industry programme in Africa; the sustainability of the programme should be ensured by the revolving funds operations started in the first phase.

135. A project initiated in Zaire aimed to create local consulting firms for private small- and medium-scale industries in several provinces that would provide services to entrepreneurs and become self-sustaining after three years. Advisory service was provided to develop a programme to promote small-scale industries in Tigray province of Ethiopia.

136. Promotion of rural industries continued in Guinea, Guinea-Bissau, Mozambique, Sierra Leone, Uganda and Zambia. The sector was assisted by strengthening or developing national capacities at the government and/or private-sector level, or by strengthening the know-how and skills of the

entrepreneurs and employees themselves. Projects in Guinea, Mozambique, Sierra Leone, Uganda and Zambia established revolving funds to channel financial resources to rural entrepreneurs for productive activities. Such projects solve the problem of collateral, allowing the flow of finance to rural entrepreneurs to increase in real terms. Improving capacities for managerial and technical skills upgrading was part of those projects as well. Progress was made in enhancing community participation in rural industry development in Sierra Leone and Zambia.

Industrial management and rehabilitation

137. Improved management and plant rehabilitation play a vital role in the revitalization of African industry. During 1992, the management and rehabilitation programme in East and Southern Africa (Malawi, Uganda and the United Republic of Tanzania) continued to provide assistance, primarily to agro-based and metalworking industries, in productivity improvement, marketing and training (on-the-job, in-service and group training, workshops and overseas fellowships).

138. The management programme continued to stress the importance of management systems and techniques as a critical tool for productivity improvement in 1993, with projects including in-factory training and management technology transfer. Notable examples of such projects were found in Gabon and the United Republic of Tanzania. An expert group meeting on cost accounting in Africa, organized with the African Council, took place in December at Yaoundé.

Human resources development

139. UNIDO contributed to human resources development (HRD) in Africa at various levels.

140. At the regional level, there was the in-plant group training programme for training of trainers and development of training capabilities in planned maintenance systems for agro-based industry. It was held in Zimbabwe (19 October to 18 December 1992) and organized within the framework of economic cooperation among developing countries/technical cooperation among developing countries (ECDC/TCDC), in cooperation with donors and the PTA secretariat. The sessions were held at the Zimbabwe Iron and Steel Company Training Centre, and participants came from Zimbabwe and many other PTA countries. The programme, financed by the Government of Saudi Arabia, enhanced self-sufficiency and self-reliance in the participating countries.

141. Under IDDA financing, experts were sent to Namibia and Swaziland in 1993 to make recommendations on national policies, strategies and plans of action for integrated training in human resource development. Training needs were also assessed in six African countries (the Congo, Côte d'Ivoire, Mali, Mauritania, the Niger and Senegal); on this basis, an integrated programme for training of trainers and the production of training materials in the field of the food packaging industry will be developed in cooperation with the host institution (Institut marocain d'essais et de conseils) at Casablanca, Morocco.

142. In 1992, an in-plant group training programme for maintenance and repair of port equipment was organized in cooperation with the Government of France, the French Agency for Technical, Industrial and Economic Cooperation and the Port of Marseille for participants from West and Central Africa. Maintenance was also an important theme in 1993, when a workshop on the improvement in the performance of industrial plants, for participants from English-speaking African countries, was held in November at Kampala. The target group, policy makers and engineers, discussed the role of maintenance as a management function to be applied in raising the output and efficiency of factories. The manual on management of maintenance was near completion and would be issued as a sales publication in English and French in 1994.

143. To meet the challenges imposed by new technologies, such as the introduction of computers as an integral part of the production process (CAD/CAM), and to increase skills and know-how for the effective transfer of technology, four national seminars of computer-based training in the field of tools and spare-parts production were held for participants from ministries, research institutions, training centres and enterprises in Burkina Faso and Kenya in 1992.

144. An association was established in North Africa to foster cooperation and exchanges of experience and information among former participants in group training programmes in the field of building materials for Morocco and Tunisia. The association was fully involved in the preparation of the global consultation on the construction industry organized by the United Nations Centre for Human Settlements (Habitat) which took place in Tunisia in May 1993, and which was attended by 175 participants from 41 countries.

Integration of women in industrial development

145. Projects targeting women had a strong focus on the development of female entrepreneurship and on the dissemination to women of environmentally sound technologies. Energy saving and environmentally sound technology, for example, were elements in projects for the development and transfer of appropriate technologies for rural women in the areas of fruit and vegetable drying in Senegal (using solar energy); gari (motor vehicle) processing in Nigeria; and the production of shea-butter and salt in Guinea.

146. A UNIDO training programme for women entrepreneurs in the food processing industry in the Gambia and the United Republic of Tanzania, for example, is at the project stage. Ongoing projects specifically targeting women that successfully completed their first phase include the provision of business advisory services for women in Malawi. Others were started, including a project for the development and dissemination of appropriate food processing equipment for rural women in sub-Saharan Africa, implemented in cooperation with IFAD.

147. The Kenya Textile Training Institute at Nairobi offers an example where UNIDO provided assistance to enhance products design, range and quality and to improve the entrepreneurial skills of Jua Kali women manufacturing textile and related products. This proved to be very successful and received a favourable response throughout the country, and an additional project site has been located in the town of Nyerei. The women who received training are successfully

producing textiles and related products with improved design and quality. Improved entrepreneurial skills led to increased profitability of their businesses, and their products were exhibited and sold throughout the year in Kenya, Uganda and the United Republic of Tanzania.

148. Based on the success of the Jua Kali project and with the same approach, a thematic programme on "women entrepreneurs for industrial growth" was designed for application to different subsectors. A mission was also undertaken to the United Republic of Tanzania to assess the needs required to replicate the Jua Kali project in textiles and related products.

149. During 1992-1993, women-in-development experts were attached to country programming missions (Burundi, Mozambique, the Niger and Sierra Leone) and to programming missions for the development of the small- and medium-scale industrial sector (Cameroon, Ghana and Zambia) to ensure that women were targeted in recommendations and follow-up.

150. In line with the intersectoral approach elaborated in the medium-term plan (1990-1995), an expert on women-in-development issues was attached to the leather industry programme in 1992 (the footwear and leather goods industries employ a large number of African women). With the aim of creating gender awareness in the sector, a survey was made on the employment patterns of women in the industry as well as on training needs. The results of the study showed that future actions aimed at improving women's socio-economic status should concentrate on (a) preparing women for better employment alternatives through management, technical and entrepreneurship training, and (b) creating an awareness of the role of women in the leather industry by sensitizing managers, employers, project personnel and leather associations. A component in the second phase of the project will address women's specific needs to ensure the full realization of their potential contribution to the industry, while participating on an equal basis with men.

151. In connection with the leather industry programme, women participated in the Morogoro Leather Goods Training Course (the United Republic of Tanzania) in April 1992, as well as in the seminar on pollution control in the leather industry held at Nairobi, in June 1992, both sponsored by UNIDO. The efforts were continued in 1993; training courses, for example, were held for 25 African women at the Leather Institute of Zimbabwe.

5. Other activities

Strategies and policies

152. Following a positive evaluation in 1992 by UNDP and UNIDO of the strategic management of the industrial development approach in Africa, and the appreciation of that approach expressed by the UNIDO General Conference (resolution GC.4/Res.19), 11 technical cooperation projects in this field were continued, 2 new projects were started (Benin and the Niger) and 3 were developed (Guinea, Nigeria and Tunisia). The approach was recognized increasingly as an efficient tool with which to identify and meet the needs of the industrial sector in its restructuring and development. The framework it

provided for a balanced relationship between the private sector and the State within the context of an open market economy proved to be useful in increasing both the efficiency of industry and the effectiveness of support systems and foreign assistance.

153. Three subregional projects aimed at subregional integration were under implementation to facilitate the restructuring process in West and Central Africa and countries in the Indian Ocean. Structural adjustment programmes, in opening inward-looking economies to the challenges of external competitive pressures, provide a good basis for integration. Subregional integration programmes should contribute to a smooth transition to global markets by introducing to the local business community the fundamentals and techniques of competitive production in the context of an economy open to a broader, yet manageable, economic space such as the subregion. In 1993, UNIDO completed its contribution to a multi-agency, multisector assistance project for the Economic Community of West African States which aimed at strengthening economic cooperation and integration for this purpose. The outcome of the project and of a similar exercise in Central Africa provided the substantive basis for IDDA subregional programmes in Central and West Africa.

154. Demand-driven and flexible support programmes were designed and organized in cooperation with technical and financial institutions during 1993. The approach is now used by UNDP to design and organize integrated programmes to upgrade competitiveness and productivity and to promote small-scale industries in several countries. The role of UNIDO is to assist in organizing that approach and to provide technical expertise when needed. Eleven projects in that field were continued (Algeria, Benin, Burkina Faso, Cameroon, Cape Verde, Guinea, the Niger (two projects), Senegal, Togo). A regional executive training programme on strategic management of industrial development was organized in Vienna within the framework of IDDA II.

155. Under the integrated programme approach, work initiated during the previous biennium on a typology of agricultural machinery in Africa resulted in 1993 in country groupings and an outline of development strategies for each group of countries. This will be a basis for the development of integrated programmes in interested countries in the next biennium. Contributions were made to two TSS-1 financed studies: one on food security for Ethiopia, and another related to the impact of changes in South Africa. Various initiatives undertaken during the year may lead to integrated or thematic programmes, including milling and sugar rehabilitation in Africa. A feasibility studies project for an integrated programme for the fisheries sector in Ghana was approved by UNDP and its implementation started. UNIDO's integrated programme approach was also the basis for an integrated programme for wooden furniture, in which six countries with high potential were selected and initial missions were undertaken to four of them to assess conditions and the interest of Governments and enterprises. In cooperation with the relevant units, two thematic programme concepts were developed: on stimulating women entrepreneurs and on biomass energy. It is expected that the two will result in a series of projects drawing on common experience and expertise.

156. Significant contributions were made to major global development themes pursued by the United Nations system. Poverty alleviation and rural industrial development programmes were implemented in Mozambique, the Sudan and Zambia, providing an integrated package of technical, advisory and consultancy services to small and micro enterprises. Programmes for setting up revolving fund schemes with a complete extension services package were initiated in Guinea, Guinea-Bissau and Uganda.

157. Two reports were prepared by ECA and presented to the eleventh meeting of the Conference of African Ministers of Industry on the following: (a) problems, policies, issues and prospects by the year 2000 of Africa's basic industries (chemical, metal and engineering), and (b) assessment of policies and strategies for the rehabilitation of selected industrial subsectors.

Industrial studies and research

158. Following the recommendations of the Regional Consultation on Industrial Rehabilitation/Restructuring with Special Focus on the Food-processing Subsector in Africa (1990), a study of privatization theory and policy was prepared by UNIDO in 1992. It dealt with crucial issues ranging from methodologies and cost-benefit analysis to a review of past experience with privatization in industrialized, developing and some former centrally-planned-economy countries. A number of guiding principles were recommended to assist developing countries in pursuing privatization as a policy option. The paper was circulated widely and was well received by Governments and industrialists in developed and developing countries.

159. At the level of individual African countries, studies undertaken in 1992 focused on industrial sector analysis and programming work (for example, Gabon) and the preparation of Industrial Development Reviews. In the latter series, the documents on Swaziland and Uganda were issued. Special attention was given to the potential for technical cooperation identified by the studies, in particular concerning industrial rehabilitation and restructuring policies. In addition, a study was prepared at the request of the Government of Nigeria which analysed present access to financing of small- and medium-scale industries in Nigeria. This was to be the basis for a consultation on the establishment of a small-industries corporation in Nigeria. However, financial constraints prevented the holding of that meeting.

160. Work was started on the 1992-1993 activities for technical support services at the programme level (TSS-1) with substantive inputs provided by staff in the fields of policy (Swaziland), human resource development (Botswana), integration of women (Togo), private sector development (the Comoros) and industrial rehabilitation (Ethiopia). A study on prospective industrial development in the southern African region was initiated.

161. A statistical publication, African Industry in Figures, 1993, was issued in 1993. In the same year, two documents were issued on industrial automation: one summarizing its main characteristics and their strategic implications, and the other containing the analysis of industrial automation priorities at the country and industrial branch level with special emphasis on Africa. The latter also contained generic programmes in the fields of institution-building, direct

support to manufacturing firms, and direct support to sectoral and public organizations. A further document dealing with automation choices, especially at the enterprise level, was prepared for publication.

162. In order to identify priority areas for industrial development in Africa, ECA undertook four studies on industrial development priorities and subregional cooperation in the context of IDDA II (one for West Africa; one for Central Africa; one for North Africa; and one for Eastern and Southern Africa).

163. Other studies, in such areas as sustainable financing of selected IDDA II multinational industrial projects in African subregions; lessons from selected newly industrialized countries for the effective implementation of IDDA II; and role of industrial free zones in the industrialization of the African countries in the context of IDDA II, were prepared and disseminated by ECA.

ECDC/TCDC activities

164. The crucial importance of cooperation among the developing countries was given expression by a number of UNIDO projects. Following the establishment in December 1991, with the assistance of UNIDO, of the African Iron and Steel Association, a programme on human resource development in iron and steel involving 13 African countries was formulated in cooperation with the French Government. Discussions were also held with the Economic Community of West African States concerning assistance to the 16 West African countries about a regional seminar on a regional industrialization master plan, to be held in 1993.

165. The Ugandan Government and UNIDO completed preparations for a solidarity meeting scheduled for 1993. At the previous solidarity meeting (held in Botswana in October 1991), 34 projects were submitted by 19 African industrial promoters. These projects, which involved transfer of technology, know-how, supply of equipment, training, technical expertise, consultancy, and so on, were being followed up. As a follow-up to the Cape Verde Solidarity Ministerial Meeting (1988), a study tour to Argentina and Brazil was undertaken in June by two Cape Verdean specialists to conduct a survey of the potential for developing the leather industry.

166. Special attention to the promotion of ECDC/TCDC was also given through self-financed trust fund projects, by which experts were recruited from Egypt to provide technical assistance to cement plants and petrochemical plants in Egypt, the Libyan Arab Jamahiriya and Nigeria.

System of consultations

167. In preparation for the regional consultation on animal feed and related industries in Africa, a regional preparatory meeting was held at Bamako, Mali, from 15 to 17 December 1992. Both thematic papers and country studies were prepared for the meeting which was attended by participants from Africa, Europe and the United States of America, and representatives of the Food and Agriculture Organization of the United Nations (FAO), OAU and ECA. The actual consultation was held in Vienna in October 1993. It was attended by 54 representatives from 36 countries and eight international organizations. The

consultation recommended, inter alia, that priority be given to utilizing to the maximum extent possible local raw materials and agro-industrial by-products and residues (which would often help to solve significant environmental problems); that, with the assistance of international organizations, a regional network be established to enhance the flow of information on all aspects of animal feed production; and that UNIDO provide assistance in the choice of appropriate technologies and equipment, and in identifying suitable projects and possible sources of financing.

168. Crucial problems facing the fisheries industry of the islands of the western Indian Ocean region were discussed at a workshop held at Antananarivo, Madagascar, in June 1993. Problems related to quality control and standardization, packaging and freezing technologies were analysed. Recommendations emanating from the workshop related to quality control systems and the identification of training possibilities. The latest fish processing technologies were the subject of the International Conference on Processing of Sea Products, held in Moscow in October 1993.

Popularization of the Decade

169. To mark Africa Industrialization Day on 20 November 1992, a poster, a special issue of the journal Industry Africa and a film were produced on the theme of building materials. The film, "Building the future", distributed in English and French to 43 television stations in Africa, was screened during the tenth session of the Industrial Development Board and on Africa Industrialization Day at UNIDO, and at several international conferences. The event was also publicized through the Cable News Network (CNN) calendar of events. The film and the poster showed the particular problems confronting African countries in the area of housing and human settlements, and suggested solutions that were based on the utilization of local building materials and unsophisticated technologies suitable to local conditions. The film and the posters were given wide distribution in the African countries and in selected sectors of the international community.

170. In 1993, Africa Industrialization Day was celebrated by an edition of the journal Industry Africa, a poster and a film that highlighted the event's 1993 theme: engineering and transfer of technology.

D. Progress in the implementation of national programmes for the Second Industrial Development Decade for Africa

171. It was not possible to make a detailed in-depth analysis of the progress in the implementation of national programmes for IDDA II because very few country assessments were received and some of those received were relatively late for the present report. So far, six countries have submitted to ECA and/or UNIDO reports on the progress made in the implementation of their national programmes for IDDA II. These are Malawi, Senegal, Kenya, Cape Verde, Burundi and Morocco.

172. The major common features in these submissions on the implementation of national programmes are policy reforms undertaken by Governments aimed at

creating an enabling environment for investment, streamlining of legislative procedures for licensing, tariff reforms, liberalization of the economy, privatization, promotion of small- and medium-scale industries, formulation of incentive measures to attract investment and establishment of institutional infrastructure to facilitate investment and assist entrepreneurs in the promotion of industrial development.

173. The countries have, in the implementation of their national programme for IDDA II, embarked upon rehabilitation of existing industries, expansion of industrial capacity in basic industries with a view to improving productivity, and introduction of new technology through industrial expansion from imports and development of indigenous research and development.

174. In Malawi, rehabilitation and expansion are being carried out in the metallurgical and engineering industries, the food industries, and in meat processing and canning, fisheries, mining, textiles and forestry. In Senegal, the national programme for IDDA II comprises three main components, namely a consolidation and maintenance programme, an expansion programme and a support programme. The consolidation and maintenance programme has two rehabilitation projects and a project on the production of implements and spare parts. The expansion programme comprises 11 private projects based mainly on the transformation of local raw materials.

175. These projects are in flour milling, irrigation pumps production, production of agricultural tractors, hides and skins, medicinal plants, and so forth. The support programme includes equally 11 projects whose main objective is to create an enabling environment in every possible aspect. In Kenya, the major element of industrial policy under the national programme for IDDA II is the reform of public enterprises, divestiture from the public sector and privatization of public enterprises. Rehabilitation is taking place mainly in government-owned enterprises, expansion in the food processing subsector. In parallel, measures have been taken to promote small- and medium-scale industries and indigenous entrepreneurship.

176. The national programme for IDDA II in Cape Verde drawn from the third National Development Plan objectives, namely liberalization of the economy - that is to say, "debureaucratization" and deregulation of the economic environment, and support to industrial policy - aims at promoting the establishment of industrial units oriented mainly towards export, the development of a network of dynamic and competitive small-scale industries (SSIs) and the development of industrial activities of a handicraft and rural nature. Expansion and new industrial projects are mostly in marine resources and construction materials.

177. In Morocco, industrial development in the 1990s will be based on the promotion of small- and medium-scale industrial enterprises, the promotion of quality and standardization, the diversification of exports and privatization through the improvement of the investment environment. In other terms, Morocco is vigorously pursuing a liberalization of its economy with respect to external trade, simplification of import and export regulations, exchange regulations, and banking and monetary reforms.

178. Since 1990, a process of privatization of a greater part of the national economy under government control has been under way. In Burundi, industrial policy under the national programme for IDDA II aims at rationalizing the existing industrial structure through the State's disengagement from industrial activity, the privatization of public enterprises, the expansion of the industrial sector and the revival of industry through measures and incentives to induce local and foreign investors. A number of public enterprises are earmarked for financial restructuring and privatization. Industrial expansion and the creation of new industries now fall under the responsibility of the private sector. A number of such projects are under way in the food subsector. The Government is vigorously pursuing the promotion of small- and medium-scale enterprises through an easier access to credit, the creation of a project portfolio, the establishment of risk capital companies, the elaboration of a new fiscal policy specific to SSIs, and a preferential tariff on water and electricity.

179. The main and common constraints encountered at the national level in the implementation of the national programme for IDDA II are lack of finance, its inadequacy or the rigidity in accessing it, inadequacy of skilled manpower, and a tax system that penalizes the industrial sector and reduces its level of self-financing. In some countries, lack of infrastructural support as reflected, for example, in the non-existence of well-developed industrial estates and the high cost of land, energy, water and other factor inputs is a serious impediment to industrial performance.

180. Local resourcing in raw materials and semi-finished products, the narrowness of domestic markets, the low level of per capita income and the absence of significant linkages, if any, within the industrial sector and with other economic sectors are other constraints that industrial development experiences in African countries. However, Governments and policy makers are tackling these difficulties with resolve and concern to enable industrial development in the countries concerned to make a breakthrough.

Notes

1/ International Bank for Reconstruction and Development, World Bank, World Development Report, 1994: Infrastructure for Development (New York, Oxford University Press, 1994), "World development indicators", tables 19 and 22; World Investment Report, 1993: Transnational Corporations and Integrated International Production (United Nations publication, Sales No. E.93.II.A.14), table II.2.

2/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions Adopted by the Conference (United Nations publication, Sales No. E.93.I.8 and corrigendum), resolution 1, annex II.